IISL
INDIA INDEX SERVICES & PRODUCTS LIMITED
(A Joint venture of NSE & CRISIL)

PRESS RELEASE –LAUNCH OF New Investable Shariah Indices

Standard & Poor's, the world's leading index provider, in partnership with **India Index Services & Products Limited,** on February 19, announced the launch of two new investable Shariah indices for the Indian equities market - **the S&P CNX 500 Shariah and S&P CNX Nifty Shariah.**

These new Shariah indices are derived from the **S&P CNX 500** and **S&P CNX Nifty indices**, which are the leading gauges of the Indian equity market. The S&P CNX 500 covers more than 90% of the total market capitalization and more than 80% of total traded volume on the National Stock Exchange (NSE), and is the complete benchmark for the Indian stock market. The S&P CNX Nifty represents the largest and most liquid companies listed on the NSE.

Each of the new indices typically covers over 60% of the market capitalization of the parent index, though this can vary depending on the number of companies found to be compliant. Historical performance analysis, however, indicates that there is a high level of correlation between the underlying indices and their new Shariah compliant versions.

The S&P CNX 500 Shariah comprises 263 companies with a market capitalization of In Rs 13,196 billion, while the S&P CNX Nifty Shariah comprises 40 companies with a market capitalization of In Rs 9,832 billion.

Standard & Poor's Shariah Indices are screened by Ratings Intelligence Partners, a Kuwait-based consulting company specialising in the Islamic investment market. Ratings Intelligence Partners researchers interface directly with a dedicated Shariah Supervisory Board. The Board is comprised of a group of Islamic scholars whose role is to interpret business issues as well as financial practices and recommend actions in relation to Shariah index management.

S&P Shariah Indices undergo sector and accounting-based screens that exclude businesses that offer products and services which are considered unacceptable or non-compliant according to Shariah-law, such as advertising and media (newspapers are allowed, sub-industries are analyzed individually), alcohol, financials, gambling, pork, pornography, tobacco, and the trading of gold and silver as cash on a deferred basis. All S&P Shariah Index constituents are monitored on a daily basis to ensure that the indices maintain strict Shariah compliance.